

Miquel y Costas & Miquel SA MCM ★★★^Q 22 Sep 2020 02:00 UTC

Last Close
22 Sep 2020
11.56

Fair Value^Q
22 Sep 2020 02:00 UTC
12.57

Market Cap
22 Sep 2020
338.9 Mil

Sector
Basic Materials

Industry
Paper & Paper Products

Country of Domicile
ESP Spain

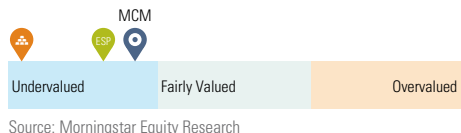
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Company Profile

Miquel y Costas & Miquel SA is operating in the paper industry. The principal line of business is the manufacturing and distribution of fine and specialty lightweight papers, with the main specialization being cigarette papers. Its product portfolio consists of rolling papers, printing papers, specialty papers and textile pulps. The company's products are distributed both domestically and abroad.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	34	36	22
Valuation	Undervalued	17	16	22
Quantitative Uncertainty	High	93	94	92
Financial Health	Strong	93	81	52



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.92	0.99	0.78	0.87
Price/Earnings	8.9	16.4	13.3	15.0
Forward P/E	—	—	10.4	12.5
Price/Cash Flow	8.0	12.8	8.0	8.8
Price/Free Cash Flow	20.7	22.1	14.7	15.2
Trailing Dividend Yield %	4.00	2.57	2.43	3.93
Price/Book	1.2	2.0	1.4	1.9
Price/Sales	1.3	2.1	1.0	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	14.3	14.1	11.5	12.9
Return on Assets %	9.7	9.7	5.7	3.3
Revenue/Employee (K)	291.5	290.2	857.4	240.3

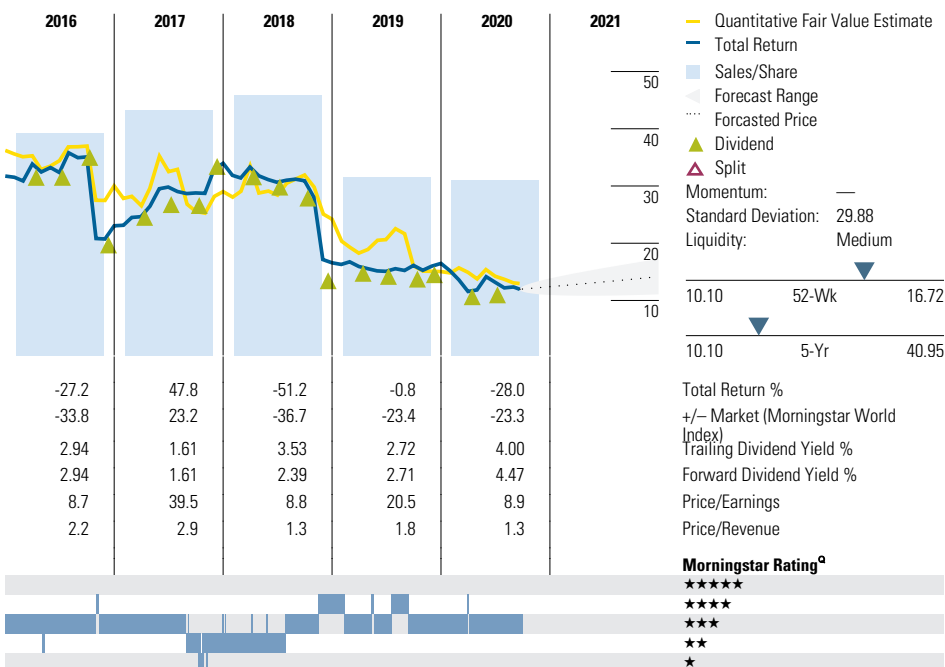
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	0.7	0.6	0.7
Solvency Score	238.8	—	474.7	556.5
Assets/Equity	1.4	1.5	1.4	2.7
Long-Term Debt/Equity	0.2	0.2	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	1.3	4.9	5.3	5.0
Operating Income %	3.6	5.8	12.7	8.4
Earnings %	7.4	-7.8	-8.3	-3.3
Dividends %	-25.5	-15.0	-5.6	-0.7
Book Value %	6.4	-8.8	-12.5	-4.9
Stock Total Return %	-27.8	-25.0	-13.4	-0.6

Price vs. Quantitative Fair Value

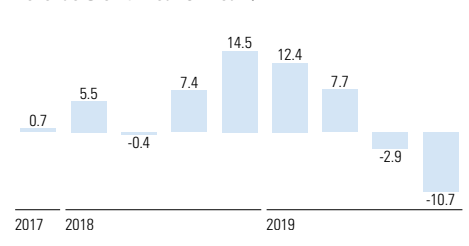


	2015	2016	2017	2018	2019	TTM	Financials (Fiscal Year in K)
Revenue	223,331	227,761	242,895	259,257	262,633	262,633	Revenue
% Change	10.0	2.0	6.6	6.7	1.3	0.0	% Change
Operating Income	36,760	42,515	46,466	48,620	50,352	50,352	Operating Income
% Change	32.9	15.7	9.3	4.6	3.6	0.0	% Change
Net Income	30,640	34,233	37,073	37,277	39,218	39,218	Net Income
Operating Cash Flow	37,096	39,857	51,982	30,399	43,735	43,735	Operating Cash Flow
Capital Spending	-15,988	-13,304	-14,283	-17,730	-26,942	-26,942	Capital Spending
Free Cash Flow	21,108	26,553	37,699	12,669	16,793	16,793	Free Cash Flow
% Sales	9.5	11.7	15.5	4.9	6.4	6.4	% Sales
EPS	2.60	1.66	1.85	1.29	1.30	1.30	EPS
% Change	30.0	-36.2	11.4	-30.3	0.8	0.0	% Change
Free Cash Flow/Share	2.16	1.03	1.55	1.43	0.46	0.56	Free Cash Flow/Share
Dividends/Share	0.71	0.73	0.58	0.60	0.45	0.45	Dividends/Share
Book Value/Share	19.95	12.46	13.05	8.72	9.36	9.36	Book Value/Share
Shares Outstanding (K)	11,763	20,315	19,414	30,400	29,703	29,320	Shares Outstanding (K)
Return on Equity %	13.5	14.0	14.6	14.2	14.3	14.3	Profitability
Return on Assets %	9.1	9.8	10.3	9.6	9.7	9.7	Return on Assets %
Net Margin %	13.7	15.0	15.3	14.4	14.9	14.9	Net Margin %
Asset Turnover	0.66	0.65	0.67	0.67	0.65	0.65	Asset Turnover
Financial Leverage	1.5	1.4	1.5	1.5	1.4	1.4	Financial Leverage
Gross Margin %	66.9	67.1	65.1	66.5	68.0	68.0	Gross Margin %
Operating Margin %	16.5	18.7	19.1	18.8	19.2	19.2	Operating Margin %
Long-Term Debt	53,273	43,923	61,373	66,145	54,489	54,489	Long-Term Debt
Total Equity	235,955	252,885	254,184	269,905	280,580	280,580	Total Equity
Fixed Asset Turns	1.5	1.5	1.7	1.7	1.6	1.6	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	71.7	66.8	61.7	62.5	262.6
2018	63.8	62.0	63.5	69.9	259.3
2017	60.5	62.2	59.1	61.1	242.9
2016	56.6	54.4	56.1	60.6	227.8
Earnings Per Share (€)					
2019	0.32	0.33	0.30	0.33	1.30
2018	0.51	0.51	0.43	0.30	1.29
2017	0.48	0.48	0.42	0.47	1.85
2016	0.73	0.69	0.70	0.45	1.66

Revenue Growth Year On Year %



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Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings").

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, and the Quantitative Uncertainty Rating. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

One-Star – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

Two-Star - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)*

Five-Star – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

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Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

Other Definitions

i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

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